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Message Text

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61
ACTION IO-14

INFO OCT-01 ARA-16 ADP-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-15 AF-10 EA-11 EUR-25 NEA-10 OMB-01 TAR-02

AGR-20 AID-20 COME-00 EB-11 LAB-06 OIC-04 SIL-01

STR-08 TRSE-00 CIEP-02 CEA-02 ABF-01 RSR-01 /234 W
---------- 111655
R 311912Z AUG 73
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC 5367
INFO USUN NEW YORK 624

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EO 11652: N/A
TAGS: AORG, ECLA, CI
SUBJ: 197411975 ECLA BUDGET

REF: STATE 171220

1. WE HAVE FOLLOWING COMMENTS TO MAKE ON PROPOSED 1974-75 ECLA BUDGET:

A. INCREASED POSITIONS. THERE IS ROOM FOR SOME CUTS IN PROPOSED INCREASE OF 25 POSTS. HOWEVER, TEN POSITIONS (3 PROFFESSIONAL, 7 LOCAL) ARE PLANNED FOR DOCUMENTATION CENTER (CLADES) WHICH ARE NECESSARY IF CENTER STARTS OPERATIONS.

B. NEW ECLA WORK PROGRAM. ENRIQUE IGLESIAS SAYS THAT REVISED 1974-75 ECLA PROGRAM WILL BE READY BY END OF SEPTEMBER. HE INTENDS TO REDUCE COMMISSION ACTIVITIES FROM PRESENT 130 TO PRIORITY LIST OF APPROXIMATELY 30 (SANTIAGO 3248). WE BELIEVE THIS IS LONG-OVERDUE STEP, BUT CANNOT MEANINGFULLY COMMENT ON PROPOSED PROGRAM UNTIL DETAILS ARE KNOWN.
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C. REGIONAL OFFICES. ECLA IS ATTEMPTING TO DECENTRALIZE ITS OPERATIONS AND EMPHASIZE MORE ITS REGIONAL OFFICES, PARTICULARLY IN RIO (WHERE EXPORT PROMOTION ACTIVITIES WILL BE CENTERED) AND WASHINGTON. WE BELIEVE THIS TREND IS SALUTARY BUT SLOTS SHOULD COME MAINLY FROM REDUCTIONS IN SANTIAGO HEADQUARTERS.

D. DOCUMENTATION CENTER. ACCORDING DUTCH EMBASSY, AID FROM HOLLAND FOR CENTER NOW AMOUNTS TO $550,000 (PRINCIPAL PLUS $50,000 IN INTEREST). ECLA OFFICIALS SAY THAT CENTER IS NOW IN VERY ACTIVE PLANNING STAGE AND MAY GO FORWARD SOON (PERHAPS BY EARLY 1974) BECAUSE OF MORE FAVORABLE ESCUDO/DOLLAR EXCHANGE RATE. DUTCH THINK THEIR PORTION OF FINANCING IS ADEQUATE. BECAUSE OF PREVIOUS DELAYS IN STARTLING THIS PROJECT, EMBASSY AND DUTCH ARE SOMEWHAT SKEPTICAL ABOUT PRESENT ECLA OPTIMISM.

3. ESCUDO/DOLLARS EXCHANGE RATE. DEVALUATIONS OF ESCUDO DURING 1973 HAVE DECREASED ECLA'S OPERATING COSTS. IN PAST TWELVE MONTHS RATE ECLA GETS HAS BEEN DEVALUED 559 PERCENT, COMPARED TO 323 PERCENT INCREASE IN CHILEAN CONSUMER PRICE INDEX (CPI). HOWEVER, THERE IS NO ASSURANCE THAT THIS IS LONG-TERM TREND.

2. ECLA'S 1973 ALLOTMENT WAS $7,057,000. (DIFFERENCE BETWEEN THIS FIGURE AND 1973 EXPENDITURES OF $5,876,000 IN UN BUDGET DOCUMENT IS BECAUSE ECLA ALLOTMENT INCLUDES SALARIES OF GROSS RATHER THAN NET ESTABLISHED POSITIONS -- OVER $700,000 DIFFERENCE -- AND 300,000 FOR REGIONAL ADVISERS). ECLA HEAD OF ADMINISTRATION INDICATED COMMISSION NOW EXPECTS TO SPEND $6.6 MILLION IN 1973 FROM ITS ALLOTMENT.
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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From: SANTIAGO
Handling Restrictions: n/a
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Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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